

**JUDICIARY - SUPREME COURT -
JUDICIAL AND ADMINISTRATIVE**

Honorable Thomas A. Zlaket, Chief Justice

Arizona Constitution Article VI

A.R.S. § 12-101

JLBC Analyst: Brad Regens

**General Fund and Other
Appropriated Funds**

**FY 1998
Actual**

**FY 1999
Estimate**

**FY 2000
Approved**

**FY 2001
Approved**

FTE Positions	135.8	138.8	138.8 ^{1/}	138.8 ^{1/}
Personal Services	4,988,500	5,558,300	5,684,900	5,792,900
Employee Related Expenditures	771,300	886,000	931,000	972,600
Professional and Outside Services	58,100	271,000	271,000	271,000
Travel	91,200	81,400	61,800	61,800
Other Operating Expenditures	3,771,900	3,715,100	3,803,500	3,804,000
Equipment	420,300	106,900	161,500	161,500
Operating Subtotal	10,101,300	10,618,700	10,913,700	11,063,800
Judicial Assistance	40,700	87,400	87,400	87,400
Judicial Education	241,900	242,700	242,700	242,700
State Grand Jury Expenses	571,600	440,000	440,000	440,000
Judicial Performance Review	337,900	354,300	338,500 ^{2/}	362,900
Commission on Judicial Conduct	306,600	364,900	325,100	330,200
Post Conviction Relief	0	150,000	150,000	150,000
Judicial Collection Enhancement	806,400	858,800	953,100	957,900
JCEF - Assistance to Courts	797,100	4,446,300	7,936,100	7,936,100
JCEF - Arizona Court Automation Project	3,271,600	4,152,700	3,362,000	3,362,000
Private Fiduciary	1,000	50,000	199,000	199,000
Criminal Case Processing and Enforcement Improvement Fund	0	350,000 ^{3/}	0	0
Total	16,476,100	22,115,800	24,947,600	25,132,000
Additional Appropriations -				
Certified Court Reporters, Ch. 335	0	0	30,000 ^{4/}	0
Processing Criminal Cases; Statewide, Ch. 346	0	0	1,147,400 ^{3/}	1,721,100 ^{3/}
Total Appropriations	16,476,100	22,115,800	26,125,000 ^{5/6/}	26,853,100 ^{5/6/}
Fund Summary				
General Fund	11,600,000	12,608,000	13,674,800	14,398,100
Judicial Collection Enhancement Fund (JCEF)	4,875,100	9,457,800	12,251,200	12,256,000
Confidential Intermediary and Private Fiduciary Fund	1,000	50,000	199,000	199,000
Total Appropriations	16,476,100	22,115,800	26,125,000	26,853,100

^{1/} Includes 14 FTE Positions funded from Special Line Items in FY 2000 and FY 2001.

^{2/} Laws 1999, Chapter 268, transfers \$19,500 to the Secretary of State. The amount shown reflects the appropriation after the transfer. (See *Judicial Performance Review policy discussion for additional information.*)

^{3/} This appropriation is a continuing appropriation and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.

^{4/} Laws 1999, Chapter 335, specifies that the State Treasurer shall deposit 20% of the monies collected pursuant to this act in the General Fund until the appropriation of \$30,000 is repaid. If the appropriated monies are not repaid in full by June 30, 2001, the Treasurer shall transfer sufficient monies from the Board of Certified Court Reporters Fund to the General Fund to repay the appropriation. If the amount of monies in the Board of Certified Court Reporters Fund is less than the remaining amount owed to the General Fund, the Treasurer shall continue to deposit 20% of the monies collected pursuant to this act until the appropriation is fully repaid. The Treasurer shall also charge interest to the Board of Certified Court Reporters Fund on the monies unpaid at the end of June 30, 2001. The interest rate shall equal the average rate the monies would have earned if they had been General Fund monies.

^{5/} Included in the lump sum appropriation is \$1,000 for the purchase of mementos and items for visiting officials. (General Appropriation Act footnote)

^{6/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

JUDICIARY - SUPREME COURT - JUDICIAL AND ADMINISTRATIVE (Cont'd)

Agency Description — *The Supreme Court consists of 5 Supreme Court Justices, judicial support staff and the Administrative Office of the Courts (AOC). The Supreme Court, as the state's highest court, has the responsibility to review appeals and to provide rules of procedure for all the courts in Arizona. Under the direction of the Chief Justice, the AOC provides administrative supervision over the Arizona court system.*

Judicial Salary Increase — The approved FY 2000 amount includes half-year funding of \$6,900 in General Fund monies to increase the salary of Supreme Court Associate Justices from \$118,000 to \$120,500 and the Supreme Court Chief Justice's salary from \$120,500 to \$123,000. With the exception of legislators, elected official salaries are determined by the recommendation of the Governor and the Commission on Salaries for State Elected Officials. They recommended the \$120,500 salary for Supreme Court Associate Justices and the \$123,000 for the Supreme Court Chief Justice beginning January 1, 2000. The approved FY 2000 amount also includes \$10,100 to annualize the judicial salary adjustment effective January 1, 1999. The approved FY 2001 amount includes \$6,900 from the General Fund to annualize the January 1, 2000 judicial salary adjustment.

Replacement Equipment — The approved FY 2000 amount includes \$161,500 in General Fund monies to replace equipment throughout the State Courts Building including monies to make the lease-purchase payments on photocopiers in the Clerk's Office and the Staff Attorney's Office. This amount is continued in FY 2001 to provide for the final lease-purchase payments on the photocopiers.

Judicial Assistance — The approved FY 2000 amount includes \$87,400 in General Fund monies to provide: 1) payment of judges pro tempore salaries when serving in the Superior Court pursuant to A.R.S. § 12-143; and 2) payment of the difference between an active justice's salary and a retiree's retirement benefits for retired justices serving pro tempore, plus payment of travel expenses if service is outside of the retired judge's county of residence, pursuant to Arizona Constitution Article VI, Section 19 and 20. This amount is continued in FY 2001.

Judicial Education — The approved FY 2000 amount includes \$242,700 in General Fund monies to provide for a core curriculum, with supplemental offerings of timely topics which address judicial competence, performance, case management, opinion writing, and administration. This amount is continued in FY 2001.

State Grand Jury Expenses — Pursuant to A.R.S. § 21-428B, the approved FY 2000 amount includes \$440,000 in General Fund monies to provide funding required to fully reimburse counties for state grand jury expenses. Counties are reimbursed for direct costs incurred for impaneling a state grand jury and the related costs associated with the grand jury's functions and duties. This amount is continued in FY 2001.

Judicial Performance Review — The approved FY 2000 amount includes \$338,500 in General Fund monies to provide for the surveying of attorneys, witnesses, jurors, peers and staff about the performance of a judge. This information is provided to the public prior to elections and also is reviewed with the judge as a tool for professional growth and improvement. Laws 1999, Chapter 268 requires the Secretary of State to include the Judicial Performance Review (JPR) reports in its election publicity pamphlets, which is sent to each household with a registered voter. The bill also transfers \$19,500 from this Special Line Item to the Secretary of State in FY 2000 to offset the printing and publishing costs associated with including the JPR reports in the publicity pamphlets for the 2000 General Election.

This unit also staffs the nominating commissions, and tracks all the appointments made by the Chief Justice to commissions and committees. Funding for the Commission on Appellate and Trial Court Appointments is also included. The approved FY 2001 amount includes an increase of \$19,500 due to the one-time transfer of monies to the Secretary of State in FY 2000.

Commission on Judicial Conduct — This commission functions as an internal audit body of the Judicial Department. The approved FY 2000 amount includes \$325,100 in General Fund monies and 5 FTE Positions. This amount with technical changes is continued in FY 2001.

Post Conviction Relief — The approved FY 2000 amount includes \$150,000 in General Fund monies to pay for counsel representing indigent defendants who have been given capital sentences and are appealing them. This amount is continued in FY 2001.

Judicial Collection Enhancement — The Judicial Collection Enhancement Fund (JCEF) has 2 purposes: to improve collection and management of monies owed the court, and to improve case processing through automation projects. The monies in the fund include a fee on each person paying a court ordered penalty, fine or sanction on a time-payment basis, a surcharge on persons attending a court ordered diversion program, and a portion of civil filing fees. The approved FY 2000 appropriation for all JCEF-related Special Line Items includes an increase of \$2,793,400, which represents the estimated available fund balance above the FY 1999 appropriation. This amount with technical changes is continued in FY 2001. This Special Line Item is for administrative staff and operating expenditures.

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JCEF Assistance to Courts — This portion of JCEF consists of monies passed through the AOC to the various General and Limited Jurisdiction courts for improved fiscal management and debt collections.

JCEF Arizona Court Automation Project — This portion of JCEF is for automation projects.

Private Fiduciary — Confidential Intermediary and Private Fiduciary Fund monies are used to regulate private fiduciaries. Private Fiduciaries are professionals that manage the affairs of persons incapacitated by age or illness. Revenues into the fund come primarily from surcharges on copies of birth certificates, a civil case filing fee surcharge, and various registration fees assessed by the program. The approved FY 2000 amount includes an increase of \$149,000 to fund investigative and disciplinary expenditures associated with reviewing complaints against private fiduciaries. This amount is continued in FY 2001.

Criminal Case Processing and Enforcement Improvement Fund — Laws 1998, Chapter 182 appropriated \$350,000 in one-time funding from the General Fund in FY 1999 for criminal case processing improvement projects. Laws 1999, Chapter 346 renames the Criminal Case Processing Fund to the Criminal Case Processing and Enforcement Improvement Fund. Fund monies, which consist solely of General Fund appropriations, may now also be used to improve the enforcement of court ordered fees, fines, penalties, assessments, sanctions and forfeitures. The Supreme Court shall report by January 8 of each year to the Governor, the Legislature, the JLBC and each County Board of Supervisors on the use of the fund's monies.

Additional Appropriations: Certified Court Reporters (Chapter 335) — Appropriates \$30,000 from the General Fund in FY 2000 for the start-up and operating costs of the board. Establishes the Certified Court Reporters Board within the Arizona Judiciary and prescribes the board's membership, powers and duty, certification requirements, and regulations governing certified court reporters. (*See footnote 4 for additional information.*)

Processing Criminal Cases; Statewide (Chapter 346) — The legislation establishes the State Aid to the Courts Fund to improve the processing of criminal cases in the Superior Court and Justice Courts, and appropriates \$1,147,400 in FY 2000 and \$1,721,100 in FY 2001 from the General Fund to the new fund. The bill requires the Supreme Court to administer the fund and to distribute the monies to the Superior Court, including the Clerk of the Court, and the Justice Courts in each county based on a composite index formula using Superior Court felony filings and county population. In addition to legislative appropriations, the fund also receives 40.97% of a new 7% penalty assessment on fines, penalties and forfeitures imposed by the courts for criminal, and civil motor vehicle violations; and a portion of

the monies collected by the Supreme Court and the Court of Appeals.

To assist in the purpose of improving criminal case processing, the legislation creates a new 7% penalty assessment on fines, penalties and forfeitures imposed by the courts for criminal offenses and civil motor vehicle violations. The monies collected pursuant to the new assessment shall be transmitted to the State Treasurer. The State Treasurer shall then distribute the monies to the Supreme Court, the Arizona Criminal Justice Commission (ACJC), and the Attorney General. The State Aid to the Courts Fund shall receive 40.97% of these monies. The Administrative Office of the Courts (AOC) projects the new 7% penalty assessment will annually generate approximately \$4,200,000. The estimated FY 2000 revenues are \$3,500,000 due to a delayed effective date for the new assessment. Based on the AOC's projections for the new penalty assessment and the delayed effective date, the Courts Fund would receive approximately \$1,434,000 in FY 2000 and \$1,720,700 each year thereafter.

The legislation also requires the Supreme Court and the Courts of Appeals to transmit 5% of all monies collected by the courts, except monies collected pursuant to A.R.S. § 16-594C, child support, restitution or exonerated bonds, to the State Treasurer. The State Treasurer shall allocate these monies to the State Aid to the Courts Fund, ACJC, and the Attorney General for the processing of criminal cases. The Courts Fund shall receive 57.37% of these monies. In FY 1998, the Supreme Court and the Court of Appeals collected approximately \$4,098,800. Based on FY 1998 collections, the fund would receive approximately \$117,600. The remaining 95% of Supreme Court and Court of Appeals collections are statutorily deposited in the State General Fund, the Elected Officials' Retirement Plan Fund, and the Judicial Collection Enhancement Fund.

The estimated total amount of monies deposited in the State Aid to the Courts Fund is \$2,699,000 in FY 2000 and \$3,559,400 in FY 2001. (*See Table 1 for a summary of the revenues deposited in the State Aid to the Courts Fund.*) All monies deposited in the Courts Fund are exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations and are subject to legislative appropriation. However, as of this writing no monies have been appropriated from the State Aid to the Courts Fund to the Supreme Court for FY 2000 or FY 2001.

The legislation also requires state aid monies to be used to supplement, not supplant, county funding for the processing of criminal cases at the levels provided to the Superior Court, including the Clerk of the Courts, and the Justice Courts in FY 1998. To receive state aid monies, each county is required to submit a plan to the Supreme Court that details how the state aid monies will be used and how the plan will assist the county in improving criminal case processing.

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The bill as originally passed also included a General Fund appropriation of \$1,721,100 to the State Aid to the Courts Fund in each of FY 2002 through FY 2006. The FY 2002 through FY 2006 appropriations, however, were line item vetoed by the Governor.

In addition, the legislation requires the Supreme Court to report by January 8, 2001 and by January 8 each year thereafter to the Governor, the Legislature, the JLBC, each County Board of Supervisors, and the ACJC on the expenditure of the monies from the State Aid to the Courts Fund. The report also shall include data on the progress made in achieving the goal of improved criminal case processing.

The legislation also requires the Superior Court, including the Clerk of the Court, and the Justice Courts in each county, to transmit 5% of all monies collected by the courts, except monies collected pursuant to A.R.S. § 16-594C, child support, restitution or exonerated bonds, to the County Treasurer. The County Treasurer shall distribute the monies to the Local Courts Assistance Fund (established by this legislation), the Office of the Attorney General, the County Attorney, and the County Public Defenders Office. The Local Courts Assistance Fund, administered by each county, shall receive 57.37% of these monies. In FY 1998 the Superior Court and the Justice Courts collected approximately \$81,759,700. Based on FY 1998 collections the Local Courts Assistance Fund would receive approximately \$2,345,300. These monies are not deposited in the State Aid to the Courts Fund and are not subject to legislative appropriation. *(See Table 1 for a summary of all monies allocated to the Superior Court and Justice Courts pursuant to this bill.)*

The bill also allocates 14.29% of the new 7% penalty assessment to the Supreme Court for distribution to Municipal Courts based on the total amount of penalty assessments transmitted by each city to the state. Municipal Courts shall use the monies to improve court collection of monies and to improve case processing. The Municipal Courts shall submit an expenditure plan to the Supreme Court. Based on the AOC's projections for the new penalty assessment and the delayed effective date, the Supreme Court would receive approximately \$500,100 in FY 2000 and \$600,200 each year thereafter for distribution to Municipal Courts. These monies are not deposited in the State Aid to the Courts Fund and are not subject to legislative appropriation. *(See Tables 3 and 4 in the ACJC section of this report for the distribution of monies from the new 7% penalty assessment, and from the portion of court collections allocated by this bill for criminal case processing. See Table 5 in the ACJC section of this report for a summary of current penalty assessments on criminal offenses and civil motor vehicle violations.)*

Additional Legislation: State Employees; Compensation (Chapter 139) — Requires the Judicial Department to submit by September 1 of each year a report to the Governor and the Legislature. The report shall include: 1) information on employee turnover, including the number of employees and the reason for turnover; 2) the level of employee compensation during the preceding and upcoming fiscal year, and a comparison of the compensation of other public and private employees; 3) any overtime pay requirements; and 4) a recommendation on the Judiciary's salary plan and proposed adjustments for their employees. In establishing the salary plan, the Judiciary shall consider the relative duties and responsibilities of their position classes, the salaries paid for comparable positions elsewhere, and other relevant factors.

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Table 1

**Summary of Revenues Deposited in
the State Aid to the Courts Fund**

<u>Source of Revenue</u>	<u>FY 2000</u>	<u>FY 2001</u>
General Fund	\$1,147,400	\$1,721,100
New 7% Penalty Assessment ^{1/}	1,434,000	1,720,700
Supreme Court & Court of Appeals Collections ^{1/}	<u>117,600</u>	<u>117,600</u>
TOTAL ^{2/}	\$2,699,000	\$3,559,400

^{1/} Estimates based on FY 1998 data. The revenues from the new penalty assessment are lower in FY 2000 than FY 2001 due to a delayed effective date of 9/1/99 for the new assessment.

^{2/} This amount does not include the portion of Superior Court and Justice Courts collections allocated pursuant to this bill for criminal case processing. With the \$2,345,300 from Superior Court and Justice Courts collections, the total estimated funding allocated to the Superior Court and Justice Courts pursuant to this legislation is \$5,044,300 in FY 2000 and \$5,904,700 in FY 2001.